

MANUFACTURING EXTENSION PARTNERSHIP

Success Stories from the Field

Bailey Wood Products, Inc.

Manufacturers Resource Center

Bailey Wood Products Focus on Profitable Markets Leads to Expansion

Client Profile:

Bailey Wood Products, located in Kempton, Pennsylvania is currently in the fourth generation of family ownership. The Bailey family started the business in 1928, then known as the Bailey Lumber Company, and operated as a regional sawmill serving the rural construction community for farmhouse and barn construction. As the population grew in central Pennsylvania, demand for lumber for furniture and cabinetry increased. In 1999, Bailey changed their name to Bailey Wood Products to reflect the changing market for hardwood materials. Bailey currently employees 6 people.

Situation:

Bailey was faced with a crisis in December of 2005 when their sawmill facility burned to the ground and most of their equipment was damaged. The company was forced to reduce its staff from 11 people to 5 people. After funding was secured, Bailey requested support from the Manufacturers Resource Center (MRC), a NIST MEP network affiliate, to develop a comprehensive Market Assessment and Strategic Business Plan to assist in the process of growing their business.

Solution:

MRC assigned two internal Professional Business Advisors within the Business Growth Services Group to assess the current market situation for Bailey Wood Products and formulate a three-year business growth plan to identify markets, pricing strategies and appropriate sales goals.

Bailey Wood Products completed construction of a 7,500 square foot manufacturing facility in February of 2007, with new equipment to address value-added markets for custom molding, flooring and custom dimension hardwood lumber used in the renovation of historic structures. Additionally, MRC partnered with the Delaware Valley Industrial Resource Center (DVIRC), a NIST MEP network affiliate, to develop a comprehensive website to promote the new value-added product line. A new retail store was added to accommodate the weekend wood worker, which is an established market for the Bailey business. The aggressive three-year business plan focuses on a 75 percent increase in sales and the addition of six new employees over the same period.

Results:

- * Created 6 new jobs.
- * Created a new manufacturing facility to address value-added markets for new product line.
- * Developed comprehensive website to promote product line.
- * Added new retail store.

Testimonial:

"Manufacturers Resource Center really spent a great deal of time with us to understand our business and help us with the vision and tools to turn our business around. I think we understand our customers

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pretty well, but MRC supported us in getting a better understanding of the bigger marketplace and how to focus on our company's strengths. They helped us to create an action plan to improve our business practices and focus on the most profitable market segments. We now have a website and can promote our products to a much wider geographic area."

Jeffery Schucker, President